

# CORPORATE GOVERNANCE REPORT

Sound corporate governance principles of accountability, transparency, honesty and integrity are crucial for upholding our corporate values and enabling the Group to achieve sustainable business success. The Group endeavours to maintain the highest standards of corporate governance by meeting all statutory and regulatory requirements, by adopting the best practices and policies that are fully adhered to at all levels from board members to frontline staff and by taking into account the interests of the Group's stakeholders, the development of its business, and the changing external environment.

## CORPORATE GOVERNANCE FRAMEWORK

We believe that strong corporate governance is essential for delivering sustainable value, fostering a culture of business integrity and maintaining stakeholder confidence. Our Corporate Governance Framework (the "Framework"), which is built on the sound corporate governance principles of accountability, transparency, honesty and integrity, is a performance-oriented benchmark against which the Board and senior management can evaluate our business performance and conduct the Group's businesses according to planned strategic goals. The Framework is flexible enough to cater for evolving regulatory requirements, environmental and local community needs, and changes in social expectations and international developments. The sound management policies and practices derived from the Framework are adopted at all operation levels throughout the Group's businesses to ensure that the highest standards of corporate governance are constantly maintained.

We achieve our corporate governance objectives through implementation of the following sound management structures and practices:

- Diverse and optimal board composition, efficient management reporting systems and a professional management team, which ensure that the Directors and management are able to make informed and valuable decisions in the best interests of our stakeholders;
- Effective internal controls, which provide safeguards against risks of failure to achieve business objectives, protect the Group's assets and ensure that any

irregularities, deviations, material misstatements and abuses can be quickly identified and corrected; and

- Transparent and effectual communication channels, which ensure prompt communication of the Group's affairs to shareholders, customers and other stakeholders.

## CODE OF CORPORATE GOVERNANCE COMPLIANCE

We are committed to continuously improving our current practices to ensure compliance with new regulatory developments and to finding ways to mitigate risk whenever possible. The Company closely adheres to the principle of corporate governance practices contained in the Corporate Governance Code of the Listing Rules ("CG Code"). The CG Code sets out the principles of good corporate governance, and two levels of recommendations: (a) code provisions; and (b) recommended best practices. Issuers are expected to comply with, but may choose to deviate from, the code provisions. The recommended best practices are for guidance only.

The Company complied with the applicable code provisions in the CG Code throughout the year ended 31 December 2013, except that, pertaining to code provision A.6.7, two of the Non-executive Directors of the Company, Mr Raymond KWOK Ping Luen and Dr Walter KWOK Ping Sheung (resigned as a Non-executive Director of the Company on 27 January 2014), were unable to attend the Annual General Meeting of the Company held on 23 May 2013 due to other engagements. In respect of the recommended best practices, the Company closely follows the recommendations set out in the CG Code where appropriate, and meets or exceeds the code provisions in all major areas, including the following:



- A comprehensive Corporate Governance Framework has been established to ensure that the best corporate governance practices are adopted throughout the Group in the best interests of its stakeholders.
- Our Internal Controls and Risk Management Framework conforms to the criteria established by the Committee of Sponsoring Organisations of the Treadway Commission and the relevant ISO Standards, which together provide comprehensive guidance for our corporate governance practices.
- The Board and the Standing Committee both meet regularly (six times each in 2013) to discuss major strategic and operational matters relating to the Group's businesses. Agenda and accompanying discussion papers are normally sent to the Board and the Standing Committee members one week before the date of the meeting.
- The Company has established a Board Diversity Policy to ensure that there is an appropriate balance of skills, knowledge and experience, ethnicity and gender on the Board.
- The Chairman and the Managing Director have no financial, business, family or other relationship with each other. This ensures the independence of key personnel holding their distinctive roles separately.
- All members of the Nomination Committee and Remuneration Committee are Independent Non-executive Directors. Their independence is essential for identifying high-calibre candidates in an objective way and reviewing the composition and appropriateness of the Board with a view to ensuring the long term success of the Group, as well as for ensuring that the remuneration of the executive and non-executive Directors is set on a formal, transparent and objective basis.
- We have drawn up a written Code of Conduct applicable to all Directors and staff. This code, which is accessible on KMB's staff website, emphasises the role of ethical values and conscience in business activities.
- In addition to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, the Code of Conduct and Staff Handbook provide guidelines on the handling and dissemination of price-sensitive information.
- A whistleblowing policy with a well-structured reporting system has been established to enable employees, business partners, suppliers and any third party to raise concerns, in confidence, to the Audit Committee about any suspected misconduct, malpractice or impropriety relating to the Company. The policy is published on the Company's website.
- The Company has established a Communications Policy with the aim of providing shareholders and the investment community with ready, balanced and understandable information about the Company in a timely manner (including its financial performance, strategic goals and plans, material developments, governance and risk profile). The Policy is published on the Company's website.
- We issue a separate Remuneration Report, which sets out the Company's remuneration policy, as well as the terms of reference and methodologies adopted to determine the remuneration of Directors.
- The Sustainability Report issued in this Annual Report sets out in detail the Company's annual performance in respect of environmental, social and governance matters.

## THE BOARD OF DIRECTORS

### Board Composition

Currently, the Company's Board of Directors comprises 15 members: five Independent Non-executive Directors, seven Non-executive Directors and three Executive Directors (including the Managing Director and the Deputy Managing Director). Daily management of the Group's business is delegated to the senior management, who are the Executive Directors of the Company, under the supervision of four designated Board Committees: the Standing Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board and the Board Committees are all chaired by Independent Non-executive Directors.

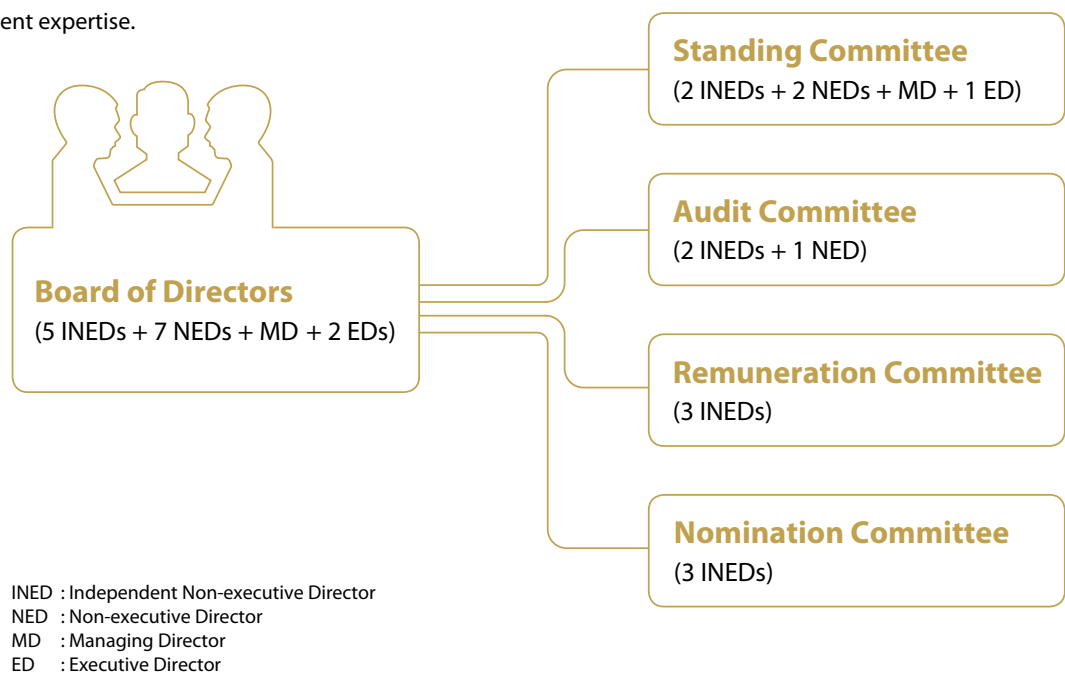
The Non-executive Directors scrutinise the Group’s performance in achieving agreed corporate goals and objectives and monitor performance reporting. They contribute through attending Board meetings at which they bring in an independent view on various issues concerning the Group’s strategy, policy, performance, accountability, resources, key appointments, and standards of conduct. They are not involved in the day-to-day running of the Group’s businesses but serve as the custodians of the governance process.

Independent Non-executive Directors (whose designations as Independent Non-executive Directors are explicitly given in all corporate communications of the Company) help ensure that the interests of all shareholders as a whole are fully and impartially taken into account by the Board in respect of major issues and connected transactions. Pursuant to Rule 3.13 of the Listing Rules, all Independent Non-executive Directors submitted written confirmation of their independence to both the Stock Exchange and the Company, and the Company considers each of them to be independent. Of the 15 members of the Board, five are Independent Non-executive Directors. As such, the Company complies with Rule 3.10A of the Listing Rules, which stipulates that at least one-third of Board members should be Independent Non-executive Directors, and exceeds the requirements of Rules 3.10(1) and (2), which stipulate that a listed company should have at least three Independent Non-executive Directors, one of whom must have appropriate professional qualifications or accounting or related financial management expertise.

Board Diversity

The Company recognises increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. A formal policy on Board diversity was adopted by the Board in 2013.

Our Executive and Non-executive Directors have diverse backgrounds and possess both the breadth and depth of relevant experience and expertise to steer and oversee the business of the Group to ensure that value is delivered in a sustainable manner and shareholders’ interests are protected. The current mix of our Board members is balanced, with representation from business, the professions and academia.





The composition of the Board of Directors broken down by age group and gender is given below:

Age Group	Male	Female
41 – 50	2	1
51 – 60	5	0
61 – 70	4	0
Over 70	3	0
<b>Total</b>	<b>14</b>	<b>1</b>

### The Role of the Board

The Board is responsible for the strategic leadership of the Group and for running the Group's businesses in the best interests of its stakeholders. Its role is to provide leadership of the Company and to direct and monitor the performance of the management. The primary responsibilities of the Board include:

- formulating the Group's objectives, strategies, policies, business plans and corporate values;
- monitoring the performance of the management;
- reviewing the effectiveness of internal controls and risk management;
- approving major financing arrangements and the annual operating budget;
- evaluating major acquisitions, disposals and certain material contracts;
- setting dividend policy; and
- overseeing the management of relationships with stakeholders, including shareholders, customers, the HKSAR Government, suppliers, employees and the community.

### The Roles of Chairman and Managing Director

The posts of Chairman and Managing Director are held separately by Dr Norman LEUNG Nai Pang, an Independent Non-executive Director, and Mr Edmond HO Tat Man, an Executive Director, respectively, neither of whom have any financial, business, family or other relationship with each other. This separation ensures that there is a clear distinction between the roles and responsibilities of the Chairman and the Managing Director.

The key responsibilities of the Chairman and the Managing Director are clearly defined in writing and are summarised as follows:

#### Responsibilities of the Chairman

- Chairing the Board and shareholders' meetings by giving each Director an opportunity to express his/her different views at Board meetings and to voice their concerns;
- Ensuring that the Board works effectively, performs its responsibilities and discusses all principal and appropriate issues in a timely manner;
- Ensuring all Directors receive adequate, accurate, clear, complete and reliable information promptly;
- Taking appropriate steps to provide effective communication with shareholders and to ensure that shareholders' views are communicated to the Board as a whole; and
- Ensuring good corporate governance practices are in place.

#### Responsibilities of the Managing Director

- Developing, recommending and implementing the Group's policies and strategies so that they reflect the long-term objectives and priorities approved by the Board;
- Providing all such information to the Board as is necessary to enable the Board to monitor the performance of Management;
- Leading an effective executive team to manage the Group's day-to-day businesses
- Closely monitoring operational and financial results in accordance with plans and budgets;
- Putting adequate operational, planning and financial-control systems in place; and
- Managing the Company's relationships with its stakeholders.

The Chairman also meets once a year with the Non-executive Directors, in the absence of the Managing Director and other Executive Directors, to discuss the Group's business affairs. This meeting was held on 17 October 2013.

### **Appointment, Re-election, Cessation and Rotation of Directors**

Directors are appointed by the Company under a formal, considered and transparent procedure. A person may be appointed a member of the Board at any time either by the shareholders in general meeting or by the Board on the recommendation of the Nomination Committee when it is necessary to fill a casual vacancy. Directors appointed to fill casual vacancies of the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. All Directors are appointed for a specific term and are subject to retirement by rotation and re-election at the Company's annual general meeting at least once every three years. All Directors have a current term of office not longer than three years. The shareholders are empowered to remove a Director before the expiration of his or her period of office by passing a special resolution at a general meeting properly convened in accordance with the Bye-laws of the Company for such a purpose.

In compliance with the Listing Rules, the election of individual Directors is subject to a separate resolution to be approved by shareholders. In respect of the re-appointment of an Independent Non-executive Director who has served on the Board for more than nine years, the Company will give reasons in the circular it sends to shareholders giving notice of the annual general meeting why it considers that the Independent Non-executive Director continues to be independent and why it recommends that shareholders vote in favour of his or her re-election.

#### **Appointment of Directors**

Mr Allen FUNG Yuk Lun was appointed as a Non-executive Director of the Company, KMB and LWB with effect from 1 January 2014. Mr Fung, as a Director appointed by the Board

to fill the casual vacancy occasioned by the retirement of The Hon. Sir Sze-yuen CHUNG on 17 May 2012, will hold office as Director until the next annual general meeting of the Company to be held on 22 May 2014, when he shall be eligible for re-election, and will then be subject to retirement by rotation and re-election at subsequent annual general meetings of the Company.

Mr Roger LEE Chak Cheong was appointed as a Non-executive Director of the Company, KMB and LWB with effect from 3 March 2014. Mr Lee, as a Director appointed by the Board to fill the casual vacancy occasioned by the resignation of Dr Walter KWOK Ping Sheung on 27 January 2014, will hold office as Director until the next annual general meeting of the Company to be held on 22 May 2014, when he shall be eligible for re-election, and will then be subject to retirement by rotation and re-election at subsequent annual general meetings of the Company.

#### **Resignation of Director**

For personal reasons, Dr Walter KWOK Ping Sheung resigned as a Non-executive Director of the Company, KMB and LWB with effect from 27 January 2014. Dr Kwok confirmed that he had no disagreement with any member of the Board of the Company and that he was not aware of any matters in relation to his resignation that need to be brought to the attention of the shareholders of the Company.

#### **Rotation of Directors**

At the annual general meeting held on 23 May 2013, (the "2013 AGM"), three Directors, namely, Dr Norman LEUNG Nai Pang, Dr Walter KWOK Ping Sheung and Mr William LOUEY Lai Kuen, retired by rotation and were re-elected as Directors of the Company.

Appropriate announcements of the appointment, re-election and cessation of directorships were published in accordance with the requirement of Rule 2.07 of the Listing Rules.



At the forthcoming annual general meeting to be held on 22 May 2014 (the "2014 AGM"), Dr John CHAN Cho Chak, Mr NG Siu Chan, Mr Gordon SIU Kwing Chue, Mr John Anthony MILLER, Mr Evan AU YANG Chi Chun, Mr Allen FUNG Yuk Lun and Mr Roger LEE Chak Cheong will retire as Directors of the Company. All these retiring Directors, being eligible, have been nominated by the Nomination Committee and recommended by the Board to stand for re-election at the 2014 AGM. The election of each Director will be subject to the vote of shareholders by a separate resolution.

### **Procedures for Making Proposals to Nominate a Person for Election as a Director**

Shareholders may put forward a proposal for the election of a person as a Director at a general meeting of the Company. The procedures for making proposals to nominate a person for election as a Director are available on the Company and the Stock Exchange websites.

## **Board Proceedings**

### **Board Meetings**

The Board holds meetings regularly to discuss and decide on major corporate strategic and operational issues, and to evaluate major investment opportunities. Board meetings are conducted in accordance with the procedures laid down in the Company's Bye-laws and the code provisions contained in the CG Code.

The annual schedule of regular Board meetings is provided to Board members at the start of each year and any amendments to the schedule are notified to Directors at least 14 days before the meetings. The draft agenda for regular Board meetings is prepared by the Company Secretary and approved by the Chairman of the Company. Directors may request inclusion of items in the agenda of Board meetings. Notice of Board meetings is normally sent to the Directors one month in advance, with the agenda and discussion papers for the Board meeting circulated one week in advance to ensure that Directors have sufficient time to consider the affairs to be discussed and make informed decisions in the best interest of the Company.

At Board meetings, senior management together with the responsible key corporate executives report to the Board on the operations and financial performance of the Group's various business areas.

The Company Secretary is responsible for taking minutes of all Board meetings, recording in detail the matters considered by the Board and the decisions made as well as any concerns raised or dissenting views expressed by the Directors, and circulating them to the Directors for comment within a reasonable time after the meeting. The final version of the draft minutes is submitted to the Board at the subsequent meeting for formal adoption. The adopted minutes are kept by the Company Secretary and are available for inspection by the Directors.

### **Voting on Connected Transactions**

All Directors are requested to disclose to the Company twice a year the offices they hold in other public companies or organisations. For each financial reporting period, each Director is requested to review and confirm to the Company whether he/she, or any party related to him/her, has any material interest, direct or indirect, in any transaction (including pending or incomplete transactions) related to the Group or is to be a party to one at any time during the financial reporting period. In accordance with the Company's Bye-laws, Directors are required to declare their interests, if any, in any transaction, arrangement or other issue proposed to be discussed at the Board meeting and to abstain from voting on relevant resolutions if they have a conflict of interest or a material interest in the proposed transaction. Any such declaration of interest will be recorded in the minutes. Directors having an interest so declared would not count towards the quorum for the meeting in respect of the passing of the relevant resolutions.

Independent Non-executive Directors, together with the other Board members, ensure that connected transactions are entered into in the ordinary and usual course of the Group's business and on normal commercial terms arrived at on an arm's length basis, and that they are fair



and reasonable and in the interests of the Group and the shareholders of the Company as a whole. The Company Secretary is obliged to ensure that all connected transactions entered into are in compliance with the Listing Rules. In 2013, the Company was involved in three continuing connected transactions, details of which are disclosed on pages 91 to 93 of this Annual Report.

### Obligations of Directors

#### Code of Conduct

The Company has drawn up a written Code of Conduct for Directors and employees which is published on the staff website. The code contains guidance on personal conduct, relations with suppliers and contractors, responsibilities to shareholders, relations with customers, employment practices and responsibilities to the community, as well as procedures for monitoring compliance and means of enforcement. The code emphasises ethical values in business activities and requires Directors and employees to adhere to the code when discharging their delegated duties. A whistleblowing policy, which is also published on the Company website and staff website, has been established to formalise the procedures for reporting actual or potential violations of the code and other suspected irregularities.

#### Securities Transactions by Directors

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct to regulate Directors' securities transactions in respect of the Company's shares. In response to the Company's specific enquiry, all Directors confirmed that they had complied throughout 2013 with the standard of dealings set out in the Model Code.

Details of the shareholding interests held by the Directors in the Company and its indirect non-wholly-owned subsidiary, RoadShow Holdings Limited, as at 31 December 2013 are set out on pages 127 and 128 of this Annual Report.

#### Induction and Professional Development

Our Company Secretary is responsible for providing tailored induction programmes for new Directors and ongoing development for all Directors to ensure that they have a proper understanding of the Company's operations and businesses and are fully aware of their responsibilities under the Listing Rules, and legal and other regulatory requirements. Information on the latest developments regarding the Listing Rules and other applicable governance matters is provided to the Directors as appropriate. The Directors are provided with detailed monthly management reports, as well as monthly media reports including press articles relevant to the Company's businesses. In 2013, a seminar was run by a professional services firm to update the Directors on the latest developments in corporate governance. Directors are encouraged to participate in continuous professional development programmes organised by qualified institutions and are asked to provide the Company with a record of any training they have received.

#### Time Commitment of Directors

The Company has received confirmation from all Directors that they gave sufficient time and attention to the Company's affairs throughout 2013.

#### Directors' Indemnities and Protections

Suitable insurance cover is in place in respect of legal action against the Directors of the Company, which indemnifies the Directors for liability incurred in connection with the Company's activities. These indemnities were in force during 2013 and remain in force.

### DELEGATION BY THE BOARD OF DIRECTORS

The Board has established four designated Board Committees: the Standing Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Group's affairs. Each Committee has written terms of reference and adequate authority and resources to discharge its duties. The terms of reference are kept under regular review and are available on the websites of the Company and the Stock Exchange.



The membership of each Committee is shown below:

Name of Directors	Standing Committee	Audit Committee	Remuneration Committee	Nomination Committee
Dr Norman LEUNG Nai Pang, GBS, JP <sup>^</sup>	Chairman			
Dr John CHAN Cho Chak, GBS, JP <sup>^</sup>	Member		Chairman	Chairman
Dr Eric LI Ka Cheung, GBS, OBE, JP <sup>^</sup>		Chairman	Member	Member
Mr Raymond KWOK Ping Luen, JP <sup>#</sup>	Member			
Mr Gordon SIU Kwing Chue, GBS, CBE, JP <sup>^</sup>		Member		Member
Ms Winnie NG <sup>#</sup>	Member			
Mr John Anthony MILLER, SBS, OBE <sup>#</sup>		Member		
Mr Charles LUI Chung Yuen, M.H.*	Member			
Mr Edmond HO Tat Man*	Member			
Professor LIU Pak Wai, SBS, JP <sup>^</sup>			Member	

<sup>^</sup> Independent Non-executive Director

<sup>#</sup> Non-executive Director

\* Executive Director

### Standing Committee

The Standing Committee was established to advise and assist the Board in formulating strategic opportunities and significant investment proposals as well as monitoring their implementation by management. In 2013, the Standing Committee held six meetings with senior management to review and discuss financial, operational and strategic plans in relation to current businesses as well as potential investment opportunities for the Group, and reported findings and made recommendations to the Board directly.

### Audit Committee

The Chairman of the Audit Committee, Dr Eric LI Ka Cheung, an Independent Non-executive Director of the Company, is a Certified Public Accountant, with the appropriate professional qualifications and accounting expertise required by the Listing Rules. The Chairman and other members of the Audit Committee have diverse experience in various business and professional fields as set down in the Directors' biographies on pages 116 to 122 of this Annual Report. None of the Audit Committee members is a former or existing partner of the external auditors of the Company. The Audit Committee is delegated with the responsibility for overseeing the financial reporting process, internal control procedures and risk management system of the Company, and its relationship with the external auditors. The Audit Committee's terms of reference are in line with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and are regularly updated with reference to the recommendations of the CG Code of the Listing Rules.

In 2013, the Audit Committee and the senior management held two meetings with the Company's external auditors, KPMG, in which the Company's financial reports, internal control and other relevant matters were reviewed and discussed. At the end of each meeting, the external auditors were invited to discuss in private with the Audit Committee members issues noted during the course of the audit and any other matters which they wished to bring up with the Audit Committee in the absence of the senior management. Following each meeting, the Chairman of the Audit Committee submitted a report to the Board of Directors and gave a briefing on all significant issues that had arisen.

The major work performed by the Audit Committee during the year included:

- (a) Review of the Company's Financial Reporting Process, and Internal Control and Risk Management Systems
  - Reviewed with senior management the accounting principles and practices adopted by the Group, the financial results of the Company and of its major subsidiaries, the accuracy of the financial statements, and the scope of internal and external audit work;
  - Reviewed the revised accounting standards and any prospective changes to accounting standards, taking into consideration their impact on the financial reporting of the Company and the Group;



- Reviewed with the external auditors the effectiveness of the audit procedures and any questions raised by them in respect of the interim and annual financial statements and results announcements, as well as management's response to such questions;
- Discussed and reviewed the internal audit reports prepared by the Head of Internal Audit Department covering among other things audit objectives, audit approach, audit work done and findings. The qualifications and experience of staff carrying out accounting and financial reporting, as well as the adequacy of resources, training programmes and budgets for such staff, were examined, together with internal control functions;
- Conducted reviews with the external auditors and senior management to ensure that connected transactions were properly disclosed in accordance with the requirements of the Listing Rules; and
- Monitored and reviewed the operation of the whistleblowing policy.

Based on the conclusions drawn from these reviews and discussions, the Audit Committee recommended to the Board that the unaudited interim financial report of the Company for the six months ended 30 June 2013 and the annual financial statements for the year ended 31 December 2013 be approved.

### (b) Management of Relationship with External Auditors

- Reviewed the independence of the external auditors and considered their terms of engagement and audit fee proposal to ensure that there was no impediment to their independence; and
- Ensured that the external auditors conducted both their audit and non-audit services in an effective manner.

Based on the conclusions drawn from these reviews, the Audit Committee recommended to the Board that KPMG, the existing external auditors, be re-appointed as auditors of the financial statements of the Company for the year ending 31 December 2014.

### Remuneration Committee

The Remuneration Committee is delegated by the Board with the authority for formulating remuneration policies, including the establishment of guidelines to determine terms and conditions of employment, and remuneration and retirement benefits of Directors and employees of the Group. It also establishes appropriate criteria for performance-based bonuses, and reviews and makes recommendations to the Board on human resources related policies in line with the Group's goals and objectives. Details of the terms of reference, remuneration policies and work done by the Remuneration Committee in 2013 are set out in the Remuneration Report on pages 112 to 115 of this Annual Report.

### Nomination Committee

The role of the Nomination Committee is to identify appropriate candidates with suitable skills and experience for consideration by the Board. The objective is to ensure that the appointment of Directors undergoes formal, stringent and transparent procedures. All members, including the Chairman, of the Nomination Committee are Independent Non-executive Directors of the Company. The principal terms of reference of the Nomination Committee include:

- Formulating nomination policy for consideration by the Board and implementing the nomination policy established by the Board;
- Reviewing and monitoring the structure, size and composition (including evaluating the balance and blend of skills, knowledge, experience and diversity) of the Board and making recommendations to the Board regarding any proposed changes;
- Identifying and nominating for the approval of the Board suitably qualified candidates for appointment as Directors;
- Making recommendations to the Board for the appointment or re-appointment of Directors and regarding succession planning for Directors, in particular, the Chairman and the Managing Director; and
- Assessing the independence of Independent Non-executive Directors.



## Attendance Records

The Directors' attendance at the Annual General Meeting, Board Meetings and Committee Meetings in 2013 is given below:

Members of the Board of Directors	Meetings Attended / Held					
	2013 AGM	Board	Standing Committee	Audit Committee	Remuneration Committee	Nomination Committee
<b>Independent Non-executive Directors</b>						
Dr Norman LEUNG Nai Pang, GBS, JP (Chairman)	1/1	6/6	6/6			
Dr John CHAN Cho Chak, GBS, JP (Deputy Chairman)	1/1	6/6	6/6		3/3	2/2
Dr Eric LI Ka Cheung, GBS, OBE, JP	1/1	5/6		2/2	3/3	2/2
Mr Gordon SIU Kwing Chue, GBS, CBE, JP	1/1	6/6		2/2		2/2
Professor LIU Pak Wai, SBS, JP	1/1	6/6			3/3	
<b>Non-executive Directors</b>						
Mr Raymond KWOK Ping Luen, JP (with Mr Roger LEE Chak Cheong as alternate)	0/1	0/6	6/6			
Dr Walter KWOK Ping Sheung, JP (with Mr Godwin SO Wai Kei, as alternate)(Note 1)	0/1	0/6				
Mr NG Siu Chan (with Ms Winnie NG as alternate)	1/1	4/6				
Mr William LOUEY Lai Kuen	1/1	6/6				
Ms Winnie NG	1/1	6/6	6/6			
Mr John Anthony MILLER, SBS, OBE	1/1	6/6		2/2		
Mr Allen FUNG Yuk Lun (Note 2)	0/0	0/0				
Mr Roger LEE Chak Cheong (Note 3)	0/0	0/0				
<b>Executive Directors</b>						
Mr Charles LUI Chung Yuen, M.H.	1/1	5/6	4/6			
Mr Edmond HO Tat Man (Managing Director)	1/1	6/6	6/6			
Mr Evan AU YANG Chi Chun (Deputy Managing Director)	1/1	6/6				
<b>Alternate Directors</b>						
Ms Winnie NG (Alternate Director to Mr NG Siu Chan)		2/2				
Mr YUNG Wing Chung (Alternate Director to Mr Raymond KWOK Ping Luen, JP)(Note 4)		1/1				
Mr Roger LEE Chak Cheong (Alternate Director to Mr Raymond KWOK Ping Luen, JP)(Note 3)		4/5				
Mr Godwin SO Wai Kei (Alternate Director to Dr Walter KWOK Ping Sheung, JP)(Note 5)		6/6				
<b>In attendance</b>						
External Auditors	1/1			2/2		

### Notes:

1. Resigned as Non-executive Director on 27 January 2014.
2. Appointed as Non-executive Director on 1 January 2014.
3. Served as Alternate Director to Mr Raymond KWOK Ping Luen for the period from 1 April 2013 to 2 March 2014 and appointed as Non-executive Director on 3 March 2014.
4. Served as Alternate Director to Mr Raymond KWOK Ping Luen until 31 March 2013.
5. Served as Alternate Director to Dr Walter KWOK Ping Sheung until 27 January 2014 and appointed as Alternate Director to Mr Raymond KWOK Ping Luen on 3 March 2014.

During 2013, six Board meetings were held, which exceeded the minimum of four board meetings a year as required by the CG Code. On average, regular Board meetings and Board Committee meetings lasted at least one hour.

### **Delegation of Responsibilities to Senior Management**

Responsibility for implementing the Group's strategies and for day-to-day management of the Group's businesses is delegated under the supervision of the Board and the relevant Board Committees to senior management, comprising Executive Directors of the Company and the management team, who possess extensive experience and expertise in different areas. Senior management provides accurate, adequate and detailed financial and operational information in a timely manner to the Board to keep them abreast of the latest developments of the Group, enabling them to make informed decisions and discharge their responsibilities effectively.

### **The Role of the Company Secretary**

The Company Secretary of the Company, Miss Lana WOO, is a member of The Hong Kong Institute of Chartered Secretaries. She is responsible for advising the Board on governance matters and for facilitating the induction and professional development of Directors. Although she reports to the Managing Director of the Company, all Directors may call upon her for advice and assistance at any time in respect of their duties and the effective operation of the Board and Board Committees. The Company Secretary is an officer of the Company and is appointed by the Board. During 2013, the Company Secretary undertook more than 15 hours of professional training to update her knowledge.

## **ACCOUNTABILITY AND AUDIT**

### **Financial Reporting**

The Directors are responsible for the preparation of financial statements of the Company and the Group which give a true and fair view in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility covers both interim and annual reports, as well as "price-sensitive" announcements and other financial disclosures required under the Listing Rules, reports to regulators, and any information that needs to be disclosed to comply with statutory requirements.

The financial statements of the Company and the Group for the year ended 31 December 2013 given on pages 134 to 207 of this Annual Report represent a true and fair view of the state of affairs of the Company and the Group, and the results and cash flow for the year. The Audit Committee of the Company, together with management and the Company's external auditors, has reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control and financial reporting matters, and reviewed the financial results for the year ended 31 December 2013.

### **Internal Controls and Risk Management**

The Board has the overall responsibility for establishing, maintaining and reviewing the effectiveness of the Group's internal control system with a view to safeguarding the Group's assets and stakeholders' interests, minimising operational system risks, and providing reasonable assurance against material misstatement of information (whether financial or non-financial). To ensure effective monitoring of its day-to-day operations, stringent internal control measures are in place at all levels of the Group.

The Audit Committee, which is established by the Board to oversee the Group's internal control framework and assess its effectiveness, plays an important role in ensuring that an effective system of internal control is in place. With the assistance of the external auditors and the Internal Audit Department, the Audit Committee provides strong assurance regarding the quality and effectiveness of our control practices.

### **Control Environment**

A well-structured internal control framework with clearly defined authority and responsibility, a culture of integrity and high ethical standards at both the management and staff levels, and an effective risk management system are fundamental to a sound control environment.

The Group has a well-defined organisational structure with delineated lines of authority and control responsibilities which are clearly set out in writing and documented in organisation charts and job manuals for individual operating and business units. Management is responsible for fostering a culture of high moral standards at both management and



staff levels and ensuring that an effective risk management system is in place. The Board and the Audit Committee oversee management performance and measure the effectiveness of the internal controls.

### Internal Control Framework

The Group's Internal Control Framework is built on the following elements:

#### The Board

- establishes high ethical and moral standards and monitors management compliance with these standards
- maintains a sound and effective internal control system
- monitors and oversees the performance of the Internal Control Framework.

#### The Audit Committee

- oversees the Internal Control Framework
- provides instructions for the design and implementation of a sound and effective internal control system
- ensures the independence and transparency of the internal audit function
- approves audit plans and ensures that the findings of the Internal Audit Department are properly addressed by management
- coordinates the communication between the internal and external auditors
- reports to the Board on the performance of the Company's internal control system.

#### Management

- designs, implements and maintains an effective internal control system
- supervises staff to ensure that they carry out their duties in accordance with the requirements of internal control practices

- cooperates with and supports the work of the Internal Audit Department
- plays the central role in monitoring the Group's Quality Management System.

#### The Internal Audit Department

- devises action plans to monitor the effectiveness of the internal control system
- coordinates with various operating units and monitors their compliance with internal control practices
- conducts rigorous reviews and stringent testing of the internal control system and makes recommendations for improvement
- reports directly to the Audit Committee on a periodic basis
- provides independent and objective assurance of the effectiveness of the internal control practices.

### Quality Management System

The adoption of the Quality Management System ("QMS") enables the Group to respond to the risks inherent in its operations through effective control practices. An effective and efficient QMS based on the benchmarks required by the International Organisation for Standardisation ("ISO") has been implemented in its three major subsidiaries, KMB, LWB and Sun Bus Limited ("SBL"). Following the ISO 9001:1994 accreditation of KMB's QMS on a company-wide basis in 1999, KMB's two major bus depots were ISO 14001 certified for their environmental management systems in 2003. In 2008, SBL was awarded ISO 9001:2000 certification for the provision of non-franchised bus services. In 2009, new ISO 9001:2008 certificates were issued to KMB and SBL upon the successful completion of the upgrading audits. In 2012, LWB also obtained ISO 9001:2008 quality management system certification.

A systematic and well-structured documentation model facilitates the Group's development of strategic and operational planning and serves as a performance indicator against which a business unit may measure its

effectiveness. Under ISO requirements, all major financial and operational procedures and instructions, including illustrative flow charts, need to be clearly documented and approved by authorised persons. Such documentation, covering KMB, LWB and SBL's major operational processes with the responsibility and authority of each member of staff in charge of his or her respective process well defined, is examined and updated from time to time in line with changes in work processes. Trained internal quality auditors regularly conduct on-site audits to ensure that daily operations are performed according to the documented procedures. The detection of any non-conformity will result in preventive and corrective measures being taken immediately. Management meetings are held every three months to review the effectiveness and compliance of the QMS. Improvement plans are continuously formulated and implemented to enhance the effectiveness of QMS.

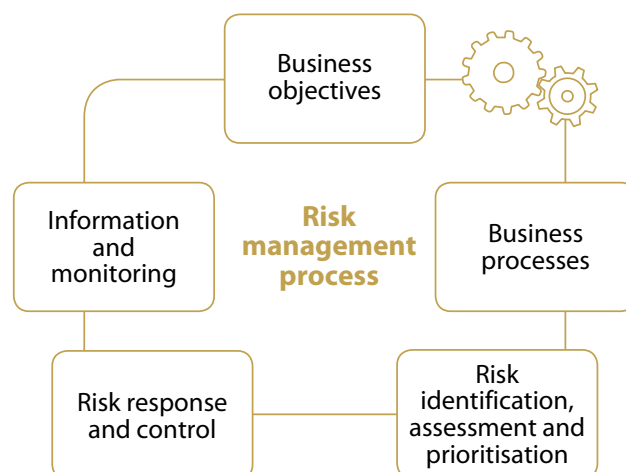
Each year, an external ISO certification organisation, the Hong Kong Quality Assurance Agency ("HKQAA"), carries out an independent audit of the QMS to ensure its effectiveness, efficiency and conformity. If any areas for improvement are identified during the ISO audit, recommendations are made for follow-up action. In 2013, no non-conformity in the QMS was found in the ISO audits of KMB, LWB and SBL.

## Enterprise Risk Management

Our businesses are exposed to various types of risks, such as financial and operational risks, which may prevent us from realising our corporate values. Policies and procedures have been developed and implemented to manage these risks based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission. This framework helps the Group identify potential risks that are related to different business processes and relevant to the Group's objectives, and assess them in terms of impact and likelihood by deploying appropriate quantitative and qualitative techniques. Depending on their level of significance, the risks inherent in various business processes will be duly prioritised, and potential improvements or

appropriate responses and controls formulated and put in place to minimise the risk exposure. Relevant information is generated and communicated to management periodically to monitor the effectiveness of the risk management process.

The risk management process is illustrated as follows:



## Business Continuity Plan

The Group's flagship subsidiary, KMB, has formulated and documented a Business Continuity Plan ("BCP"), which is reviewed and updated regularly according to changes in circumstances. As an integral part of the risk management process, the BCP provides a systematic approach for building an effective response that enables management to safeguard shareholder value in the event of a crisis by responding promptly to the situation and resuming KMB's critical business operations and services at acceptable pre-defined levels. The BCP identifies and evaluates the major risks of business functions that would be affected in terms of likelihood and consequences of disruption, defines responsibilities, recovery time objectives and resources required, and outlines the necessary responses. KMB performs walk-through tests and drills periodically to ensure that these responses are feasible and viable.



An emergency management team under the leadership of the Managing Director works to ensure that, in the event of a contingency, effective management will be maintained and responses that reduce the disruption will be taken promptly.

### **Business Ethics**

Setting a culture of high ethical values and management integrity is key to a sound control environment. Our policy is to prohibit directors or employees from soliciting any advantage from customers, suppliers or any other person in connection with our business. The Code of Conduct and the Staff Handbook, which are freely accessible on KMB's staff website, set down the rules and policies which all Directors and staff are expected to follow. Besides covering all aspects of administrative and operational activities, such as: (a) soliciting, accepting and offering advantages; (b) entertainment; (c) use of proprietary information; (d) handling of conflicts of interest; (e) misuse of assets and resources; (f) loans; (g) gambling; (h) outside employment; and (i) proper use of official position, these guidelines underline the social responsibilities of the Group. The Code also emphasises transparency, objectivity, integrity and reliability in the handling of financial information, and disclosure in financial reports. In addition, the Staff Handbook reminds all staff members that they must not make use of their position to solicit or receive any advantage from the public; and that in the event of their encountering a situation in which they are offered gifts or money from the public while carrying out their daily duties, they must inform the management to receive instructions with regard to the proper handling of the gift/money.

### **Whistleblowing Policy**

The Group is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, a whistleblowing policy has been developed by the Audit Committee of the Company to encourage employees, business partners, suppliers and any third party who have concerns about any suspected misconduct or malpractice within the Group to report potential violations of the code and fraudulent, unethical acts or non-compliances with laws. The Group will respond to the concerns expressed fairly and properly.

The Group's whistleblowing policy and procedures, which are published on the Company's website, apply to employees at all levels and in all divisions as well as to business partners, suppliers and any third party that deals with the Group.

The Audit Committee has overall responsibility for the whistleblowing policy, but has delegated day-to-day responsibility for overseeing and implementing it to the Company Secretary. Responsibility for monitoring and reviewing the operation of the policy and any recommendations for action resulting from investigation into complaints lies with the Audit Committee. The Company Secretary monitors and reviews the use and effectiveness of the whistleblowing policy on a regular basis.

### **Comprehensive Internal Audit Function**

The Internal Audit Department is responsible for providing the Audit Committee and senior management with independent and objective assurance that the internal control system of the Group is effective in achieving its objectives, and that any risks and internal control weaknesses have been adequately addressed. This objective is accomplished through the implementation of a systematic, disciplined, risk-based audit approach to examine and evaluate the internal controls of the Group according to the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors. This involves reviewing the inherent risks associated with each key business process and evaluating the internal controls to mitigate these risks, testing compliance of the internal controls, and carrying out substantive tests, such as transaction tests, stocktaking, physical inspection and analytical reviews in major areas to assess the effectiveness of the internal control system and the correctness of the accounting data, as well as recommending potential improvement opportunities where appropriate to enhance the internal control system.

To ensure the independence of the internal audit function of the Group, the Head of Internal Audit Department reports directly to the Audit Committee and the Managing Director. The Head of Internal Audit Department supervises the implementation of comprehensive audits and reviews the financial and operational procedures and practices of the Group on both a regular and an ad-hoc basis.



In 2013, the major work performed by the Internal Audit Department included:

- Conducting systematic audits of various aspects of the Group's operations according to the rolling audit plan, communicating the findings, recommending follow-up action to the relevant operating units, and reporting to the Audit Committee and the Managing Director;
- Independently reviewing the risks and controls of the Group, and ensuring that the risks and any internal control weaknesses were appropriately addressed;
- Performing an internal consulting service to help improve the operational and financial performance of the Group's various business units; and
- Reviewing critical areas of concern identified by senior management or the Audit Committee.

Based on the report of the Internal Audit Department, the Audit Committee has concluded that the Group continues to operate in a sound control environment with a control system that effectively monitors and corrects non-compliance in all significant areas. Following the Audit Committee's annual review of the Group's internal control system, the Board is satisfied that the Group fully complied with the Code Provision on internal controls in 2013.

## Control Practices for Handling and Disseminating Price-sensitive and/or Inside Information

The Company is aware of its obligations under the Listing Rules and the Securities and Futures (Amendment) Ordinance and has established proper procedures and internal control measures to preserve the confidentiality of price-sensitive and/or inside information relating to the Group. The Board, senior management and nominated executives who have access to price-sensitive and/or inside information are bound by the Model Code for Securities Transactions under the Listing Rules. In addition, all staff

are required to follow the Code of Conduct and the Staff Handbook to keep unpublished price-sensitive and/or inside information strictly confidential.

## External Audit

The external auditors play a key role in ensuring the integrity of the disclosure of financial information. Major findings in relation to the audit of the Company's interim and annual financial statements, if any, will be reported directly to the Audit Committee and the Board. The external auditors are also invited to attend meetings of the Audit Committee, as well as the Annual General Meeting.

The Audit Committee is charged with monitoring the audit and non-audit services rendered to the Group by its external auditors. A formal policy is set to ensure that the engagement of the external auditors in non-audit services will not impair their independence to act as external auditors. The external auditors are also required to review annually their relationship with the Group and to give written confirmation of their independent status to the Audit Committee.

The Company engaged KPMG as external auditors to audit the financial statements of the Company for the year ended 31 December 2013. KPMG has formally confirmed in writing to the Audit Committee that for the year ended 31 December 2013 and up to the date of this Annual Report, it remains independent of the Group in accordance with the independence requirements of the HKICPA.

The fees for services rendered by KPMG to the Group for the year ended 31 December 2013 are set out below:

	HK\$ million
Audit related services	7.1
Non-audit related services	0.3
<b>Total</b>	<b>7.4</b>



## ENGAGEMENT WITH STAKEHOLDERS

### Shareholders

At 31 December 2013, the Company had 4,336 registered shareholders. Besides individual shareholders, some of these shares are held by institutional investors, or by people and organisations via financial intermediaries such as nominees, investment funds and the Central Clearing and Settlement System ("CCASS") of Hong Kong.

The names of the shareholders, other than Directors of the Company, holding 5% or more of the shares of the Company as at 31 December 2013 are disclosed in the Report of the Directors on page 129 of this Annual Report. The largest single shareholder of the Company is Sun Hung Kai Properties Limited, which retains an equity interest of about 33.0% in the Company.

At the end of 2013, the shareholding distributions of the Company were as follows:

Size of registered shareholding	Number of shareholders	% of shareholders	Number of shares (Note)	% of issued share capital
0 – 1,000	1,450	33.44	473,808	0.12
1,001 – 5,000	1,688	38.93	4,042,124	1.00
5,001 – 10,000	503	11.60	3,843,421	0.95
10,001 – 100,000	576	13.28	17,175,901	4.26
Above 100,000	119	2.75	378,104,159	93.67
	4,336	100.00	403,639,413	100.00

Note: 40.97% of all TIH's issued shares were held through CCASS.

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

### Shareholder Communications Policy

Transparency is indispensable to good corporate governance. The Board has established a Shareholder Communications Policy, which is posted on the Company's website and is reviewed regularly to ensure its effectiveness. The Group adopts various communication means, including press releases, announcements, interim and annual reports, and circulars, to convey its messages to shareholders. Other information of interest to shareholders is available on the Company's website [www.tih.hk](http://www.tih.hk) as well as on the Stock Exchange website. The interim and annual reports, notices of general meetings and circulars in English and/or Chinese are sent to shareholders within the respective deadlines stipulated by the Listing Rules.

### Annual Reports

Our annual report is an important source of information for our shareholders and other stakeholders wishing to understand our businesses. As such, we work hard to ensure that our annual report is informative, comprehensible and transparent, with an excellent level of disclosure. The Annual Report has both English and Chinese versions and is available in both print and electronic versions. Shareholders can elect to receive a printed version (in English, Chinese or both languages) or the electronic version. For the sake of preserving the environment and saving costs, we encourage our shareholders to opt for the electronic version of all the Company's corporate communications: the annual and interim reports, notices of meetings, listing documents, circulars and forms of proxy. Shareholders may at any time change their choice of language or means of receiving the Company's corporate communications free of charge by giving written notice of not less than seven days to the Company's share registrar, Computershare Hong Kong Investor Services Limited, or by email to [tih.ecom@computershare.com.hk](mailto:tih.ecom@computershare.com.hk).

# CORPORATE GOVERNANCE REPORT

Over the years, the Company's annual reports have won widespread recognition in local and international award programmes. In 2013, the Company won the following prestigious awards:

- Gold Award for Traditional Annual Report and Bronze Award for Written Text in the International ARC Awards;
- Special Mention in the Best Corporate Governance Disclosure Awards organised by the Hong Kong Institute of Certified Public Accountants; and
- Honourable Mention in the Hong Kong Management Association ("HKMA") Best Annual Reports Awards.

## Annual General Meeting

The Company's general meetings are its principal channels of communication with its shareholders. The annual general meetings or other general meetings are normally attended by all Directors and senior management as well as the Company's external auditors so that they can respond to any comments or questions raised by shareholders.

All shareholders have the right to vote at general meetings. Since 2007, the Company has conducted voting by poll at general meetings so that each share is entitled to one vote. Separate resolutions are proposed for each distinctive matter, including the election of individual Directors. The circular containing the notice of the annual general meeting, proposed resolutions, biographies of Directors standing for election and information on poll voting procedures is sent to shareholders with the annual report at least 20 clear business days before the annual general meeting.

The 2013 AGM was held on 23 May 2013 and the matters resolved are summarised below:

As ordinary business:

- Approval of the audited financial statements and reports of the Directors and Auditors for the year ended 31 December 2012;
- Approval of an ordinary final dividend of HK\$0.45 per share for the year ended 31 December 2012;

- Re-election of Dr Norman LEUNG Nai Pang, Dr Walter KWOK Ping Sheung and Mr William LOUEY Lai Kuen as Directors of the Company;
- Re-appointment of KPMG as auditors of the Company, and authorisation of the Directors to fix their remuneration;
- Granting of a general mandate to the Directors to issue shares not exceeding 20% of the issued share capital;
- Granting of a general mandate to the Directors to exercise the powers of the Company to purchase its own shares not exceeding 10% of the issued share capital; and
- Granting of a general mandate to the Directors to extend the share issue mandate granted to the Directors not exceeding 10% of the issued share capital.

The details and poll voting results of the 2013 AGM were published on the websites of the Company and the Stock Exchange on 23 May 2013.

The 2014 Financial Calendar of the Company is set out as follows:

Announcement of 2013 final results	<b>24 March 2014</b>
Dispatch of 2013 Annual Report and accompanying circular to shareholders	<b>17 April 2014</b>
Last day to register transfer to qualify to attend and vote at the 2014 AGM	<b>14 May 2014</b>
Book closure for 2014 AGM (both dates inclusive)	<b>15 – 22 May 2014</b>
Date of 2014 AGM	<b>22 May 2014</b>
Last day to register transfer to qualify for 2013 final dividend	<b>27 May 2014</b>
Book closure for 2013 final dividend	<b>28 May 2014</b>
Payment of 2013 final dividend	<b>10 June 2014</b>
Announcement of 2014 interim results	<b>mid-August 2014</b>
Payment of 2014 interim dividend	<b>mid-October 2014</b>
Financial year end date	<b>31 December 2014</b>



### Shareholders' Right

Shareholders holding not less than one-tenth of the paid-up capital of the Company and carrying the right of voting at general meetings of the Company may request the Board to convene a special general meeting ("SGM") for the transaction of business specified in the request. The request must be in written form with the purpose of the meeting stated therein and deposited at the head office of the Company at 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong. The request must be signed by the shareholders concerned and may consist of two or more documents in like form, each signed by one or more of those shareholders. Upon receipt of confirmation by the Company's Share Registrars that the request is valid, the Company Secretary will arrange to convene a SGM by serving sufficient notice to all the registered shareholders in accordance with the Company's Bye-laws and the statutory requirements.

### Procedures for Making Proposals at General Meetings

Shareholders holding not less than one-twentieth of the total voting rights of those shareholders having the right to vote at the general meetings or not less than 100 shareholders holding shares in the Company may submit a written request to move a resolution at general meetings. The procedures for making proposals at general meetings are set out in the Company's Shareholder Communications Policy, which is available on the Company's website.

### Procedure for Sending Enquiries to the Board

Shareholders may send their enquiries to the Board. All enquiries should be addressed to the Board or Company Secretary of the Company and sent to its head office at 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong. Shareholders may also email their enquiries to the Directors at the Company's email address [director@tih.hk](mailto:director@tih.hk). The Company Secretary is responsible for attending to these enquiries in the first instance.

### Constitutional Documents

An updated and consolidated version of the Bye-laws of the Company is published on the websites of the Company and the Stock Exchange. No changes were made to the Company's constitutional documents in 2013.

### General Public

The following communication channels are used by the Group to keep the general public informed of affairs and achievements of the Group:

**Website** – The Company's website [www.tih.hk](http://www.tih.hk) provides a wide range of information about the Group and its various businesses for shareholders and other interested parties.

**Media** – To keep the public informed of the bus services of KMB and LWB, the two major subsidiaries of the Group, regular press sessions are held to update the media on the latest developments of the bus companies in areas including services, facilities, safety and environmental protection.

**Publications** – KMB and LWB publish a number of booklets and leaflets which keep the travelling public up to speed on their services and operations.

In 2013, the KMB website won the Gold Prize in the 2012 Top 10.hk Website Competition organised by the Hong Kong Internet Registration Corporation Limited.

KMB's publications may be downloaded from its website [www.kmb.hk](http://www.kmb.hk), which also features regularly updated corporate, financial and media information relating to the Group.

### Employees

Effective communication between management and our 13,000 staff members is vital to our continued success as well as a means of helping develop teamwork and efficiency.

The Group's staff website is an important platform on which staff can access relevant management announcements and information on issues that concern them such as payroll and staff events and activities. Online orientation training courses, e-learning programmes and a staff forum are also available on the website. The periodic corporate magazine, KMB Today, keep our employees, especially frontline staff, abreast of news and events relating to the Group and the industry. The column "Message from the Managing Director" in KMB Today is an important conduit for enhanced communication between management and staff.

The Staff Handbook, available on the staff website, sets out the Company's human resources policies and provides clear guidelines for all staff to follow.